

**Sarasota Family Young Men's  
Christian Association, Inc.**

Financial Statements,  
Supplemental Information,  
Contract Compliance, and  
Independent Auditor's Report  
June 30, 2017 and 2016

# Contents

<b>Independent Auditor's Report</b> .....	I
<b>Financial Statements</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows .....	4
Statement of Functional Expenses - 2017 .....	5
Statement of Functional Expenses - 2016 .....	6
Notes to Financial Statements .....	7-20
<b>Supplemental Information</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance .....	21-23
Schedule of Expenditures of Local Assistance and Matching Funds .....	24
<b>Contract Compliance</b>	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	25-26
Report of Independent Auditor on Compliance for Each Major Federal Program and State Project; and Report on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General of the State of Florida</i> .....	27-28
Schedule of Findings and Questioned Cost .....	29
Summary Schedule of Prior Audit Findings .....	30



Kerkering, Barberio & Co.  
Certified Public Accountants

## Independent Auditor's Report

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Sarasota Family Young Men's Christian Association, Inc. (YMCA), a nonprofit organization, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

We were unable to obtain the audited financial statements of the Children's Educational Opportunity Foundation, Inc. (formerly known as the YMCA Foundation of Sarasota, Inc.) (Foundation) supporting the YMCA's beneficial interest in the net assets of the Foundation stated at \$5,540,486 on the Statement of Financial Position at June 30, 2016. We were also unable to satisfy ourselves as to the amount receivable from the Foundation in the amount of \$649,555 (See Note 4). The effects on the Statement of Activities have not been determined.

**Qualified Opinion**

In our opinion, except for the effects on the 2016 financial statements related to the activity of the Children's Educational Opportunity Foundation, Inc. described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Sarasota Family Young Men's Christian Association, Inc. as of June 30, 2017 and 2016, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Supplemental and Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, and the Schedule of Expenditures of Local Assistance and Matching Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017 on our consideration of Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and compliance.



Sarasota, Florida  
December 20, 2017

# Sarasota Family Young Men's Christian Association, Inc.

## Statements of Financial Position

June 30, 2017 and 2016

		(As Restated)
	2017	2016
<b>Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,357,898	\$ 3,113,903
Accounts receivable, net (Note 4)	455,879	864,560
Contracts receivable (Note 5)	1,094,046	265,897
Other assets (Note 6)	282,564	256,051
Investments - partnerships (Note 7)	182,676	76,792
Investments - trust account (Note 7)	417,785	391,841
Land, buildings and equipment, net (Note 8)	12,414,776	13,340,433
Beneficial interest in the net assets of the Foundation (Note 1)	5,458,385	5,540,486
Total Assets	<u>\$ 21,664,009</u>	<u>\$ 23,849,963</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 1,332,635	\$ 1,813,483
Accrued expenses	469,360	961,546
Deferred revenue and government contracts (Note 14)	1,393,242	1,479,842
Custodial liabilities (Note 12)	131,561	88,881
Capital lease obligations payable (Note 10)	281,474	416,698
Notes payable (Note 11)	2,511,416	2,604,129
Total Liabilities	<u>6,119,688</u>	<u>7,364,579</u>
Net Assets:		
Unrestricted:		
Undesignated	9,957,745	10,818,169
Beneficial interest in the unrestricted net assets of the Foundation	4,134,656	4,109,374
Total unrestricted	<u>14,092,401</u>	<u>14,927,543</u>
Temporarily restricted (Note 16):		
Temporarily restricted net assets	128,191	126,729
Beneficial interest in the temporarily restricted net assets of the Foundation	1,041,619	1,149,002
Total temporarily restricted	<u>1,169,810</u>	<u>1,275,731</u>
Permanently restricted (Note 17):		
Beneficial interest in the permanently restricted net assets of the Foundation	282,110	282,110
Total permanently restricted	<u>282,110</u>	<u>282,110</u>
Total net assets	<u>15,544,321</u>	<u>16,485,384</u>
Total Liabilities and Net Assets	<u>\$ 21,664,009</u>	<u>\$ 23,849,963</u>

See accompanying notes to financial statements.

# Sarasota Family Young Men's Christian Association, Inc.

## Statements of Activities Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>(As Restated) 2016</u>
Unrestricted Net Assets:		
Revenue, Support and Releases:		
Contracts and government grants	\$ 35,340,781	\$ 33,561,965
Membership dues, net of scholarships of \$278,835 and \$269,088 respectively	5,520,574	5,663,449
Program fees, net of discounts of \$155,289 and \$164,159, respectively	3,210,055	3,085,770
Children's Educational Opportunity Foundation, Inc. grants	323,784	1,357,505
United Way grants	159,376	169,302
Sales of supplies and services, net of cost of sales of \$45,811 and \$50,203, respectively	12,410	20,252
Other revenue	165,002	192,447
Net assets released from restrictions	40,906	53,717
Total revenue, support and releases	<u>44,772,888</u>	<u>44,104,407</u>
Functional Expenses:		
Program services	45,046,128	43,169,561
Management and general	1,767,385	1,824,194
Fundraising	159,885	10,321
Total functional expenses	<u>46,973,398</u>	<u>45,004,076</u>
Non-Operating Activities:		
Contributions	1,062,734	175,155
Event income, net of contributions and expenses	(123,472)	(12,765)
In-kind contributions	222,762	162,212
Interest income	13,470	12,993
Gain (loss) on disposal of equipment	(32,266)	18,565
Equity gain in investment	105,884	39,180
Distribution from investment in partnership	94,700	16,000
Unrealized and realized gain (loss) on investments - trust account	(3,726)	15,942
Unrelated business tax expense	-	(429)
Change in the beneficial interest in net assets of the Foundation	25,282	229,087
Total non-operating activities	<u>1,365,368</u>	<u>655,940</u>
Change in unrestricted net assets	<u>(835,142)</u>	<u>(243,729)</u>
Temporarily Restricted Net Assets:		
Contributions	42,368	28,052
Change in the beneficial interest in net assets of the Foundation	(107,383)	(56,992)
Net assets released from restrictions	(40,906)	(53,717)
Change in temporarily restricted net assets	<u>(105,921)</u>	<u>(82,657)</u>
Change in net assets	<u>(941,063)</u>	<u>(326,386)</u>
Net assets, at the beginning of year	<u>16,485,384</u>	<u>16,811,770</u>
Net assets, at the end of year	<u>\$ 15,544,321</u>	<u>\$ 16,485,384</u>

See accompanying notes to financial statements.

# Sarasota Family Young Men's Christian Association, Inc.

## Statements of Cash Flows Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>(As Restated) 2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (941,063)	\$ (326,386)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,180,454	1,187,983
(Gain) loss on disposal of equipment	32,266	(18,565)
Unrealized and realized (gain) loss on investments - trust account	3,726	(15,942)
Equity gain on investments	(105,884)	(39,180)
Change in the beneficial interest in net assets of the Foundation	82,101	(172,095)
Bad debts	59,052	69,657
Contributed stock	(24,968)	-
Change in operating assets:		
Accounts and contracts receivable, net	(478,520)	33,577
Other assets	(26,513)	80,213
Change in operating liabilities:		
Accounts payable	(480,848)	872,968
Accrued expenses	(492,186)	38,429
Deferred revenue and government contracts	(86,600)	(440,335)
Custodial liabilities	42,680	(6,982)
Total adjustments	<u>(295,240)</u>	<u>1,589,728</u>
Net cash provided by (used in) operating activities	<u>(1,236,303)</u>	<u>1,263,342</u>
Cash Flows from Investing Activities:		
Distribution received from Y Associates	-	94,168
Purchase of investments - trust account	(29,845)	(26,005)
Purchases of land, buildings and equipment	(272,501)	(389,527)
Proceeds from sale of investments	25,143	24,844
Proceeds from disposal of assets	5,007	18,565
Net cash used in investing activities	<u>(272,196)</u>	<u>(277,955)</u>
Cash Flows from Financing Activities:		
Proceeds from line of credit	219,425	-
Principal payments on line of credit	(219,425)	-
Principal payments on notes payable and capital lease obligations payable	(247,506)	(240,780)
Net cash used in financing activities	<u>(247,506)</u>	<u>(240,780)</u>
Change in cash and cash equivalents	(1,756,005)	744,607
Cash and cash equivalents, at the beginning of year	3,113,903	2,369,296
Cash and cash equivalents, at the end of year	<u>\$ 1,357,898</u>	<u>\$ 3,113,903</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 143,864</u>	<u>\$ 136,214</u>

Material non-cash transactions not reflected in the statements of cash flows include:

Building improvement and purchases of other assets through financing or capital leases totaling \$15,837 and \$150,625 in 2017 and 2016, respectively.

In-kind contributions totaled \$222,762 and \$162,212 in 2017 and 2016, respectively.

See accompanying notes to financial statements.

**Sarasota Family Young Men's Christian Association, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2017

(With Summarized Information for the Year Ended June 30, 2016)

	Youth & Family Services	Educational Outreach Services	Health Enhancement	Foster Care / Child Welfare	Program Services	Management and General	Fund- Raising	Total	2016 Total
Subcontracted services	\$ -	\$ -	\$ -	\$ 7,443,974	\$ 7,443,974	\$ -	\$ -	\$ 7,443,974	\$ 7,611,397
Residential services	-	-	-	8,292,612	8,292,612	-	-	8,292,612	7,096,938
Foster parent, adoption and independent living subsidies	-	-	-	7,690,045	7,690,045	-	-	7,690,045	7,470,925
Client services	-	-	-	1,585,815	1,585,815	36	-	1,585,851	1,427,586
Youth scholarships	17,500	114,750	2,000	-	134,250	-	-	134,250	108,750
Salaries	1,709,271	488,026	4,273,249	3,473,059	9,943,605	879,370	61,385	10,884,360	10,875,471
Employee benefits and payroll taxes	457,221	114,282	804,972	951,347	2,327,822	207,820	9,280	2,544,922	2,449,980
Professional services	34,019	2,417	38,676	270,171	345,283	173,049	11,525	529,857	428,932
Supplies	89,298	54,971	583,527	115,068	842,864	53,220	40,259	936,343	925,199
Telephone and networking	19,825	1,986	59,702	88,048	169,561	4,839	204	174,604	180,419
Postage and shipping	877	600	8,636	26,639	36,752	3,700	5,950	46,402	42,271
Occupancy	85,704	9,104	1,653,465	858,236	2,606,509	164,399	-	2,770,908	2,758,138
Repairs and maintenance	11,873	4,616	191,209	75,406	283,104	51,656	13,977	348,737	311,936
Community relations	-	-	4,402	56	4,458	61,974	-	66,432	81,845
In-kind contribution expense	-	-	-	215,632	215,632	-	-	215,632	162,212
Travel and client transportation	39,282	42,103	52,482	160,346	294,213	15,907	220	310,340	389,137
Staff development and conferences	21,769	4,636	85,460	39,793	151,658	53,480	242	205,380	170,119
Dues and licenses	29,928	12,716	147,338	72,476	262,458	17,529	8,252	288,239	258,888
General insurance	51,845	3,079	390,348	358,879	804,151	25,340	-	829,491	683,500
Credit card and bank charges	-	-	138,909	9,160	148,069	14,955	5,897	168,921	172,038
Miscellaneous	-	-	124,235	-	124,235	(4,474)	-	119,761	1,340
Bad debts	-	-	55,392	1,648	57,040	2,012	-	59,052	69,657
Total functional expenses before depreciation, amortization, and interest	2,568,412	853,286	8,614,002	31,728,410	43,764,110	1,724,812	157,191	45,646,113	43,676,678
Depreciation and amortization	68,043	578	1,051,219	54,137	1,173,977	3,783	2,694	1,180,454	1,187,983
Interest	407	-	14,952	-	15,359	14,153	-	29,512	17,585
Mortgage interest	-	-	92,682	-	92,682	24,637	-	117,319	121,830
Total functional expenses	<u>\$ 2,636,862</u>	<u>\$ 853,864</u>	<u>\$ 9,772,855</u>	<u>\$ 31,782,547</u>	<u>\$ 45,046,128</u>	<u>\$ 1,767,385</u>	<u>\$ 159,885</u>	<u>\$ 46,973,398</u>	<u>\$ 45,004,076</u>

See accompanying notes to financial statements.



**Sarasota Family Young Men's Christian Association, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2016

(With Summarized Information for the Year Ended June 30, 2017)

	<b>Youth &amp; Family Services</b>	<b>Educational Outreach Services</b>	<b>Health Enhancement</b>	<b>Foster Care / Child Welfare</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fund- Raising</b>	<b>Total</b>	<b>2017 Total</b>
Subcontracted services	\$ -	\$ -	\$ -	\$ 7,611,397	\$ 7,611,397	\$ -	\$ -	\$ 7,611,397	\$ 7,443,974
Residential services	-	-	-	7,096,938	7,096,938	-	-	7,096,938	8,292,612
Foster parent, adoption and independent living subsidies	-	-	-	7,470,925	7,470,925	-	-	7,470,925	7,690,045
Client services	-	-	-	1,427,586	1,427,586	-	-	1,427,586	1,585,851
Youth scholarships	2,500	106,250	-	-	108,750	-	-	108,750	134,250
Salaries	1,720,347	517,514	4,368,115	3,335,564	9,941,540	933,627	304	10,875,471	10,884,360
Employee benefits and payroll taxes	437,285	114,557	761,295	932,641	2,245,778	204,113	89	2,449,980	2,544,922
Professional services	28,866	5,974	58,552	216,985	310,377	118,555	-	428,932	529,857
Supplies	94,388	53,929	646,308	67,693	862,318	62,694	187	925,199	936,343
Telephone and networking	19,109	2,253	63,622	89,507	174,491	5,925	3	180,419	174,604
Postage and shipping	1,320	799	4,860	30,015	36,994	5,179	98	42,271	46,402
Occupancy	78,035	10,413	1,646,102	844,482	2,579,032	178,367	739	2,758,138	2,770,908
Repairs and maintenance	16,492	2,524	163,494	75,452	257,962	53,974	-	311,936	348,737
Community relations	-	-	11,213	12	11,225	70,620	-	81,845	66,432
In-kind contribution expense	-	-	999	161,213	162,212	-	-	162,212	215,632
Travel and client transportation	41,135	52,160	102,363	156,326	351,984	37,153	-	389,137	310,340
Staff development and conferences	19,421	10,199	60,531	33,173	123,324	46,795	-	170,119	205,380
Dues and licenses	23,440	11,257	151,776	51,864	238,337	15,130	5,421	258,888	288,239
General insurance	55,549	2,680	389,416	210,640	658,285	25,215	-	683,500	829,491
Credit card and bank charges	-	-	145,115	8,718	153,833	17,460	745	172,038	168,921
Miscellaneous	-	-	-	-	-	1,340	-	1,340	119,761
Bad debts	-	-	48,220	4,023	52,243	17,369	45	69,657	59,052
Total functional expenses before depreciation, amortization, and interest	2,537,887	890,509	8,621,981	29,825,154	41,875,531	1,793,516	7,631	43,676,678	45,646,113
Depreciation and amortization	65,019	1,349	1,053,391	61,057	1,180,816	4,477	2,690	1,187,983	1,180,454
Interest	-	-	16,968	-	16,968	617	-	17,585	29,512
Mortgage interest	-	-	96,246	-	96,246	25,584	-	121,830	117,319
Total functional expenses	\$ 2,602,906	\$ 891,858	\$ 9,788,586	\$ 29,886,211	\$ 43,169,561	\$ 1,824,194	\$ 10,321	\$ 45,004,076	\$ 46,973,398

See accompanying notes to financial statements.

# Sarasota Family Young Men's Christian Association, Inc.

## Notes to Financial Statements

June 30, 2017 and 2016

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### I. Description of Organization

The Sarasota Family Young Men's Christian Association, Inc. (YMCA), was established in 1945, and provided various programs and services in three counties during the years ended June 30, 2017 and 2016. The financial statements and notes are representations of the YMCA's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Mission Statement of the Sarasota Family Young Men's Christian Association, Inc. is, "We build strong kids, strong families and strong communities."

The YMCA Foundation of Sarasota (YMCA Foundation) is an organization which was created in 1981 for the sole purpose of raising funds to support the YMCA. In September 2016, the YMCA Foundation stopped raising funds for the YMCA and the YMCA assumed that function directly. At that time, the YMCA Foundation changed its name to the Children's Educational Opportunity Foundation, Inc. (Foundation). The *Not-for Profit Entities* Topic of the FASB Accounting Standards Codification establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary). Pursuant to the *Not-for Profit Entities* Topic, the YMCA recognizes its beneficial interest in the net assets of the Foundation. Therefore, the net assets of the Foundation and change in net assets for the year are included in the financial statements of the YMCA. An independent Board of Trustees directs the Foundation. The financial statements of the YMCA and the Foundation are not consolidated as the criteria for consolidation under accounting principles generally accepted has not been met. See Notes 26 and 27 related to the Foundation.

The major program areas of the YMCA include:

**Youth & Family Services** - The YMCA Family Management Services provide family counseling and consultation on a non-residential basis, directed at preventing youth from running away, being truant or becoming ungovernable. Residential services are provided through the Youth Shelter for runaway youth ages 10 through 17. The YMCA TRIAD Alternative Schools provide academic, vocational and behavioral skills to expelled youth in collaboration with the Department of Juvenile Justice and the Sarasota County school system. The School House Link coordinates educational services for homeless youth in Sarasota County.

**Educational Outreach Services** - Operation Graduation is a continuum of educational outreach programs serving children from preschool to high school seniors. Programs include the Home Instruction for Parents for Preschool Youngsters (HIPPY), a home-based educational program in which YMCA Parent Educators teach parents and other guardians to prepare their children for school; and Y Achievers for middle and high school students to enhance academic achievement. The YMCA provides after-school programs in Sarasota County elementary schools and within the Hardee County Family YMCA Branch.

**Health Enhancement** - The YMCA maintains four traditional health enhancement facilities, three in Sarasota County and one in Hardee County. Collectively, these facilities provide a full range of fitness/cardiovascular training, specialty aerobic classes, youth and adult basketball, racquetball, soccer, aquatic classes, swim teams, gymnastic classes and teams, therapy programs, youth leadership and teen activities. Summer camp for elementary school age children is also provided in Sarasota and Hardee counties.

# **Sarasota Family Young Men's Christian Association, Inc.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

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## **I. Description of Organization (Continued)**

**Foster Care/Child Welfare** - In 1997, the YMCA led the Governor's privatization efforts for Child Welfare/Foster Care in Sarasota County. The YMCA provided its Child Welfare/Foster Care Program in three counties during the years ended June 30, 2017 and 2016. The Child Welfare/Foster Care Program provides the following services: diversion, intervention, child and family assessment, case management through sub-contracts with local agencies, family preservation, parent training and support groups, out of home placement, reunification and adoptions.

## **2. Summary of Significant Accounting Policies**

### **Revenue Recognition**

The accounting and reporting policies of the YMCA comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants. Net assets and public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets are utilized to account for public support and program revenues that are unrestricted in nature. Donor-restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

Temporarily Restricted Net Assets are utilized to account for contributions that are donor-restricted for uses which have not yet been fulfilled either by time or purpose. Net assets restricted for construction of buildings are considered temporarily restricted until the YMCA places the asset in service.

Permanently Restricted Net Assets represent donor-restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for a specific program by the donor.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Donated Materials and Services**

Donated property and equipment for use by the YMCA are capitalized at the fair value at the time of receipt. The YMCA has recorded the revenue and expense relating to services donated by attorneys, architects and contractors. The value of these services, property and equipment recorded in the accompanying financial statements amounted to \$222,762 and \$162,212 for the years ended June 30, 2017 and 2016, respectively.

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the YMCA. These services do not meet the criteria for recognition as donated revenue under generally accepted accounting principles, and as a result, the value of these volunteer hours has not been recognized in the statements of activities.

# **Sarasota Family Young Men's Christian Association, Inc.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

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## **2. Summary of Significant Accounting Policies (Continued)**

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

### **Income Taxes**

The YMCA has been recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. Under the Income Taxes Topic of the FASB Accounting Standards Codification, the YMCA has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions, other than disclosed above, that would have a material impact on the financial statements of the YMCA.

The YMCA files income tax returns in the U.S. federal jurisdiction and the state of Florida. The tax periods open to examination by the major taxing jurisdictions to which the YMCA is subject include the fiscal years ended June 30, 2014 through June 30, 2017.

### **Financial Instruments Not Measured at Fair-Value**

Certain of the YMCA's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and liabilities include cash and cash equivalents, accounts receivable, contracts receivable, other assets, accounts payable, accrued expenses, deferred revenue and government contracts and custodial liabilities.

### **Debt Issuance Costs**

Effective July 1, 2016, the YMCA elected to change its method of presentation relating to debt issuance costs in accordance with FASB Accounting Standards Update (ASU) No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30)*. Prior to 2016, the YMCA's policy was to present these debt issuance costs as an asset on the statement of financial position, net of accumulated amortization. Beginning in 2017, the YMCA has presented these costs as a direct deduction to the related debt. The ASU requires retrospective application to all periods presented in the financial statements. Accordingly, for 2016, debt issuance costs, net of accumulated amortization, in the amount of \$69,159 have been deducted from the related debt liability.

### **Reclassification**

To facilitate comparison of financial data, certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

## **3. Cash and Cash Equivalents**

Cash consists of various checking and money market accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, except for investments to be applied to specific purposes that are included in the YMCA's long-term investment strategies. Due to the timing of receipts from its various funding sources, the YMCA may periodically have cash balances with any one financial institution exceeding the FDIC insured amount. Management makes every effort to maintain accounts with various financial institutions to minimize the occurrence of this situation.

# Sarasota Family Young Men's Christian Association, Inc.

## Notes to Financial Statements (Continued)

June 30, 2017 and 2016

### 3. Cash and Cash Equivalents (Continued)

The YMCA is a fiscal agent for certain funding sources. Funds are received and payments are distributed to program participants based upon requirements established by the funding sources. The YMCA maintains separate bank accounts for the cash received on behalf of the program participants and records the related custodial liability.

Restricted cash for federal grants and other purposes at June 30, 2017 and 2016 amounted to \$882,679 and \$2,436,970, respectively. Restricted cash equivalents for investments at June 30, 2017 and 2016 amounted to \$13,164 and \$32,728, respectively.

### 4. Accounts Receivable

Accounts receivable consist of membership fees, child care program fees, gymnastics and swim team fees, amounts pledged by the Foundation, and other receivables. Accounts receivable for membership fees and program dues are stated net of an allowance for uncollectible accounts of \$19,911 and \$9,262 at June 30, 2017 and 2016, respectively. The allowance is approximately 31% and 15%, respectively, of accounts receivable for membership fees and program dues and is based on historical collections. Management reviews accounts quarterly and writes off individual accounts that are deemed uncollectible.

Accounts receivable at June 30, 2017 and 2016 includes receivables from the Foundation in the amount of \$300,000 and \$649,555 respectively, for grants and reimbursement of expenses. No allowance has been recorded against these amounts as management deems this balance fully collectible.

### 5. Contracts Receivable

Contracts receivable represent funds due from federal, state and local government agencies for YMCA social service programs including Educational Outreach Services, Youth and Family Services and Foster Care/Child Welfare. Contracts receivable totaled \$1,094,046 and \$265,897 at June 30, 2017 and 2016, respectively. Management considers contracts receivable to be fully collectible.

### 6. Other Assets

Other assets include prepaid expenses, pledges receivable, deposits, and inventory of YMCA clothing items, racquetball and aquatics related merchandise, stated at the lower of cost (first-in, first-out method) or market (net realizable value).

Other assets are comprised of the following at June 30:

	2017	2016
Prepaid expenses	\$ 203,989	\$ 218,451
Pledges receivable	40,939	-
Deposits	27,423	27,423
Inventory	10,213	10,177
	<u>\$ 282,564</u>	<u>\$ 256,051</u>

# Sarasota Family Young Men's Christian Association, Inc.

## Notes to Financial Statements (Continued)

June 30, 2017 and 2016

### 7. Investments

#### Partnerships

The YMCA is a limited partner in Community Based Care Integrated Health, LLC (CBCIH). The purpose of the CBCIH is to establish a trust to cover medical expenses in excess of Medicare payments. The YMCA's investment in the CBCIH totaled \$182,676 and \$76,792 as of June 30, 2017 and 2016, respectively. The CBCIH makes a quarterly determination of whether the assets held by the trust are sufficient to meet the obligations under the service agreement. If deemed insufficient, the YMCA is liable for any obligations under the services agreement or debt of the CBCIH as determined by their respective share of the CBCIH's revenue. The YMCA will have thirty days from the date of the notice from the CBCIH to provide additional contributions.

#### Trust Account

As collateral for the note payable, described in Note 11, the YMCA is required to maintain a balance of investment securities of \$400,000, which are recorded at market value. The market value, cost and provision for unrealized gain (loss) of investments are summarized in the aggregate as follows at June 30:

	2017		
	Cost	Fair Value	Accumulated Unrealized Gain
Equities	\$ 30,055	\$ 31,751	\$ 1,696
Fixed Income	381,804	386,034	4,230
Cash in investments	13,164	13,164	-
Total investment securities and cash in investments	<u>\$ 425,023</u>	<u>\$ 430,949</u>	<u>\$ 5,926</u>
	2016		
	Cost	Fair Value	Accumulated Unrealized Gain
Fixed Income	\$ 381,804	\$ 391,841	\$ 10,037
Cash in investments	32,728	32,728	-
Total investment securities and cash in investments	<u>\$ 414,532</u>	<u>\$ 424,569</u>	<u>\$ 10,037</u>

Investment activity for the year ended June 30, 2017 resulted in realized gains of \$385 and unrealized losses of \$4,111. Investment activity for the year ended June 30, 2016 resulted in realized losses of \$2,197 and unrealized gains on investments of \$18,139.

## Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

### 8. Land, Buildings and Equipment

Land, buildings and equipment consist of the following as of June 30:

	2017	2016
Land	\$ 1,087,115	\$ 1,087,115
Buildings	23,984,874	24,479,044
Equipment	2,526,795	2,551,273
Furniture and fixtures	3,317,076	3,493,171
Vehicles	521,255	523,177
Equipment under capital lease agreements	1,333,758	1,357,959
Leasehold improvements	1,843,050	1,833,700
Art	18,600	18,600
	<u>34,632,523</u>	<u>35,344,039</u>
Less accumulated depreciation and amortization	(22,217,747)	(22,003,606)
	<u>\$ 12,414,776</u>	<u>\$ 13,340,433</u>

The YMCA capitalizes computer software and other assets exceeding \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment, furniture and fixtures, and vehicles; and 10 to 30 years for buildings and improvements. Equipment under capital lease agreements is amortized using the straight-line method over the life of the leases and has a net book value of \$175,145 and \$376,534 as of June 30, 2017 and 2016, respectively. Leasehold improvements are being amortized over the lesser of the lease terms or the estimated useful lives of the assets. Land, buildings and equipment are recorded at cost, or if donated, at the fair market value at the time of receipt. Depreciation expense for the years ended June 30, 2017 and 2016 totaled \$1,176,721 and \$1,183,684, respectively.

Equipment has been purchased with funds received from other governmental agencies. Title to these assets acquired with government agency funds vests with the YMCA as long as the YMCA has a contract with the agencies. In accordance with contract provisions, the YMCA has segregated and identified this equipment. Upon contract termination, the equipment reverts to the respective agencies in accordance with their proportional interests. As of June 30, 2017 and 2016, government funded assets had a total net book value of \$143,515 and \$136,929, respectively.

### 9. Tax Deferred Annuity Plan

The YMCA participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund).

The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

# Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

## 9. Tax Deferred Annuity Plan (Continued)

In accordance with the agreement with the Retirement Fund, contributions to the Fund are a percentage of the participating employees' qualified compensation. The Fund is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts either on a tax-deferred or after-tax basis. The YMCA's contributions charged to retirement costs for the fiscal years ended June 30, 2017 and 2016 were \$717,668 and \$709,048, respectively.

## 10. Lease Commitments

The YMCA has entered into capital lease agreements for equipment and copiers through 2020. Future minimum payments under capital leases are as follows for the years ending June 30:

2018	\$ 163,380
2019	123,222
2020	6,389
Total future minimum lease payments	<u>292,991</u>
Less portion representing interest	<u>(11,517)</u>
Present value of future minimum lease payments	<u>281,474</u>
Less current portion	<u>(151,061)</u>
Non-current portion	<u>\$ 130,413</u>

The YMCA leases space for administrative and program services. Lease terms range from 1 to 9 years with options to renew. Total future minimum lease payments under the operating leases are as follows:

	<b>Minimum Lease Commitments</b>	<b>Sublease Income</b>	<b>Net Lease Commitments</b>
Year Ending June 30:			
2018	\$ 855,134	\$ 79,903	\$ 775,231
2019	795,267	81,501	713,766
2020	819,125	83,131	735,994
2021	761,359	84,793	676,566
2022	170,360	86,489	83,871
Thereafter	550,900	269,986	280,914
	<u>\$ 3,952,145</u>	<u>\$ 685,803</u>	<u>\$ 3,266,342</u>

Certain leases require payments for common area maintenance and also provide for adjustments to minimum lease payments annually based on fluctuations in the Consumer Price Index. These adjustments are estimated based on historical information and are included in the minimum lease commitment amounts above. The YMCA subleases office space to an unrelated not-for-profit 501(c)(3) corporation. Sublease income will also increase two percent annually per the sublease agreement. Total rent expense for the years ended June 30, 2017 and 2016 amounted to \$990,283 and \$1,071,562, respectively, net of sublease income.



# Sarasota Family Young Men's Christian Association, Inc.

## Notes to Financial Statements (Continued)

June 30, 2017 and 2016

### II. Debt

#### Notes Payable

Notes payable consisted of the following at June 30:

	2017	2016
In October 2014, the YMCA entered into a mortgage payable to a financial institution for \$2,825,000, payable in monthly payments over a 20 year period of \$17,817, including interest at 4.40% for the first five years, beginning November 29, 2014. After the initial five years, interest shall be paid at a fluctuating rate equal to a margin of 3.25% over the weekly average yield on the United States Treasury Securities adjusted to a constant maturity of one year to be adjusted every year on the anniversary date of this note. Final payment, including all outstanding principle, plus accrued interest, shall be due on October 29, 2034. The mortgage is secured by the related property and the initial purchase of \$400,000 of investment securities, as described in Note 7.		
	\$ 2,576,802	2,673,288
Less current portion	(102,550)	(98,143)
Non-current portion	\$ 2,474,252	2,575,145

Long-term scheduled maturities of the June 30, 2017 outstanding principal balance in each of the next five years and thereafter are as follows:

2018	\$ 102,550
2019	107,154
2020	111,965
2021	116,992
2022	120,000
Thereafter	2,018,141
Total debt	2,576,802
Less debt issuance costs, net of accumulated amortization	(65,386)
Total debt	\$ 2,511,416

At the closing of the mortgage payable, the YMCA incurred debt issuance costs of \$75,446. Debt issuance costs are amortized over the life of the related debt issue and are included in the depreciation and amortization line in the statement of functional expenses. Amortization expense related to debt issuance costs was \$3,772 and \$4,489 for the years ended June 30, 2017 and 2016, respectively. Interest expense related to the mortgage payable totaled \$117,319 and \$121,830 for the years ended June 30, 2017 and 2016, respectively.

#### Line of Credit

In November 2016, the YMCA entered into a revolving line of credit for maximum allowable borrowings of \$750,000 through November 2017. Borrowings under the line of credit accrue interest at a rate of The Wall Street Journal Prime Rate plus 1.5%, adjusted daily through the term of the note. Interest is to be paid monthly. The principal balance, plus any unpaid interest is payable in November 2017. The line is secured by the mortgaged property and investment securities described in Notes Payable. There was no outstanding balance at June 30, 2017.

# Sarasota Family Young Men's Christian Association, Inc.

## Notes to Financial Statements (Continued)

June 30, 2017 and 2016

### 12. Custodial Liabilities

The YMCA is the custodian for Social Security benefits for the children in its care. The YMCA is responsible for receiving funds from Social Security and disbursing such to the respective beneficiaries pursuant to requirements set forth by Social Security and the Florida Department of Children and Families. The funds are maintained in separate bank accounts. Custodial liabilities totaled \$131,561 and \$88,881 as of June 30, 2017 and 2016, respectively.

### 13. Matching Requirements on Governmental Contracts

The YMCA has been awarded contracts from federal and state agencies, which require matching contributions by the YMCA. The matching requirements were met or exceeded on completed contracts during the years ended June 30, 2017 and 2016.

The YMCA (lead agency) administers the Foster Care and Child Welfare program for Sarasota, Manatee and Desoto counties. Under Florida Statute, a lead agency may not provide more than 35% of direct client services and must disburse and pass through contract funds received to entities that provide direct client services. In addition there are designated contract funds that are passed through to or paid to or on behalf of the client (adoption subsidy, independent living subsidy, client supplies and services). Government grant revenue includes the following components:

	2017	2016
Amounts paid to subrecipients	\$ 16,016,293	\$ 14,162,975
Amounts paid to or on behalf of clients	8,961,123	8,686,442
Amounts related to services provided by the YMCA	7,098,017	7,398,488
Total	<u>\$ 32,075,433</u>	<u>\$ 30,247,905</u>

### 14. Deferred Revenue and Governmental Contracts

As of June 30, 2017 and 2016, deferred revenue and government contracts totaled \$1,393,242 and \$1,479,842, respectively, and include the following:

Programs and membership revenue is deferred and recognized over the term of the program or membership on a straight-line basis. As of June 30, 2017 and 2016, deferred programs and membership revenue totaled \$695,664 and \$662,770, respectively.

Certain government contracts and grants are received ratably over the respective contract periods. The YMCA recognizes the related revenue as grant expenditures are made. Any excess of funds received over the amount earned is considered deferred revenue which amounted to \$697,578 and \$817,072 at June 30, 2017 and 2016, respectively.

### 15. Fair Value of Financial Assets and Liabilities

The YMCA adopted the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

# Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

## 15. Fair Value of Financial Assets and Liabilities (Continued)

The following table presents information about the YMCA's assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of June 30, 2017 and 2016, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quotes prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the YMCA's assumptions based on the best information available in the circumstance.

The following methods and assumptions were used by the YMCA in estimating the fair value of its financial instruments:

*Equity* - The fair value is measured based on quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

*Fixed Income* - The fair value is measured based on quoted prices for similar assets, observable inputs other than quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means (Level 1).

*Investments - partnerships* - The fair value is primarily based on the respective net asset value reported by management of each limited partnership rather than actual market transactions and other observable market data (Level 3).

For the year ended June 30, 2017:

Description	Balance	Level 1	Level 2	Level 3
Assets:				
Equities:				
Small growth	\$ 487	\$ 487	\$ -	\$ -
Large value	31,264	31,264	-	-
Total equities	31,751	31,751	-	-
Fixed Income:				
Corporate bond	139,247	139,247	-	-
Preferred stock	19,585	19,585	-	-
Ultrashort bond	25,430	25,430	-	-
Intermediate-term bond	131,797	131,797	-	-
Long-term corporate bond	69,975	69,975	-	-
Total fixed income	386,034	386,034	-	-
Investments-partnerships	182,676	-	-	182,676
Total investments	\$ 600,461	\$ 417,785	\$ -	\$ 182,676

# Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

## 15. Fair Value of Financial Assets and Liabilities (Continued)

For the year ended June 30, 2016:

Description	Balance	Level 1	Level 2	Level 3
Assets:				
Fixed Income:				
Corporate bond	\$ 141,544	\$ 141,544	\$ -	\$ -
Preferred stock	19,945	19,945	-	-
Ultrashort bond	25,293	25,293	-	-
Intermediate-term bond	134,154	134,154	-	-
Long-term corporate bond	70,905	70,905	-	-
Total fixed income	391,841	391,841	-	-
Investments-partnerships	76,792	-	-	76,792
Total investments	\$ 468,633	\$ 391,841	\$ -	\$ 76,792

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is presented below:

	Investments- Partnerships
Balance - June 30, 2015	\$ 131,780
Liquidation of partnership	(94,168)
Equity gain in investment	39,180
Balance - June 30, 2016	76,792
Distribution	(16,000)
Equity gain in investment	121,884
Balance - June 30, 2017	\$ 182,676

The fair value of the investments listed below have been estimated based on net asset value (NAV) per share based on the cash flow received from the projected sales proceeds. Those funds which are redeemable at the reported net asset value per share at or near the reporting date have been considered to be valued based upon level 2 inputs. Funds which are not redeemable at or near the reporting date have been considered to be valued based upon Level 3 inputs.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments - partnerships (a)	\$ 182,676	\$ -	n/a	n/a

(a) This investment represents the YMCA's interest the CBCIH.

# Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

## 15. Fair Value of Financial Assets and Liabilities (Continued)

The components of the beneficial interest in the net assets of the Foundation that are measured at fair value on a recurring and non-recurring basis as of June 30, 2017 are included in the following table:

Description	Balance	Level 1	Level 2	Level 3
Equity securities	\$ 2,225,998	\$ 2,225,998	\$ -	\$ -
Mutual funds	1,390,326	1,390,326	-	-
Contributions receivable from charitable trusts	593,703	-	-	593,703
Assets held in charitable trusts and annuities	172,705	172,705	-	-
Total assets	<u>\$ 4,382,732</u>	<u>\$ 3,789,029</u>	<u>\$ -</u>	<u>\$ 593,703</u>
Liability under trust agreements	<u>\$ 64,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,326</u>
Pledges receivable	<u>\$ 314,332</u>	<u>\$ -</u>	<u>-</u>	<u>314,332</u>

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2017:

	Contributions Receivable From Charitable Trusts	Liability Under Trust Agreements
Beginning Balance - June 30, 2016	\$ 539,150	\$ 129,134
Liabilities under trust agreements	-	-
Change in fair value of charitable trusts	54,553	(64,808)
Ending balance - June 30, 2017	<u>\$ 593,703</u>	<u>\$ 64,326</u>

The components of the beneficial interest in the net assets of the Foundation that are measured at fair value on a recurring and non-recurring basis as of June 30, 2016 are unknown.

## 16. Temporarily Restricted Net Assets

Temporarily restricted net assets are generated from donor contributions and are restricted as to use within the following programs and organization at June 30:

	2017	2016
Child Welfare/Foster Care	\$ 77,084	\$ 114,599
Health Enhancement	15,547	12,130
Capital	35,560	-
Beneficial interest in net assets of the Foundation	<u>1,041,619</u>	<u>1,149,002</u>
	<u>\$ 1,169,810</u>	<u>\$ 1,275,731</u>

## 17. Permanently Restricted Net Assets

Permanently restricted net assets consisted of the beneficial interest in the net assets of the Foundation in the amounts of \$282,110 as of June 30, 2017 and 2016.

# Sarasota Family Young Men's Christian Association, Inc.

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

## 18. Net Assets Released From Restrictions

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Expiration of restrictions		
Child Welfare/Foster Care	\$ 40,629	\$ 48,717
Health Enhancement	277	5,000
Total net assets released from restrictions	<u>\$ 40,906</u>	<u>\$ 53,717</u>

## 19. Discounted Membership Dues and Program Fees

The YMCA also makes contributions to the general public through subsidies to those who qualify for discounted membership and program fees. These scholarships amounted to \$434,124 and \$433,247 for the years ended June 30, 2017 and 2016, respectively.

## 20. Transactions with the Children's Educational Opportunity Foundation, Inc.

The YMCA must apply for grants and the Foundation maintains full authority over grant decisions. The following is contribution revenue from the Foundation, net of related expenses, for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Contributions from the Foundation	\$ 318,118	\$ 1,393,345
Prior years contribution revenue recognized	5,666	14,974
Contributions deferred	-	(50,814)
Total contribution revenue recognized	<u>\$ 323,784</u>	<u>\$ 1,357,505</u>

The Foundation reimbursed the YMCA for payroll, payroll related and other expenses paid on behalf of the Foundation in the amount of \$205,249 and \$347,633, for the years ended June 30, 2017 and 2016, respectively. Additionally, the Foundation paid the YMCA rent in the amount of \$10,128 and \$46,063. The YMCA had a payable to the Foundation in the amount of \$96,381 and \$0 as of June 30, 2017 and 2016, respectively.

Beginning March 1, 2006, the YMCA began leasing office space in a building in Desoto County owned by the Foundation. Total rent and related reimbursable expenses paid to the Foundation for the years ended June 30, 2017 and 2016 amounted to \$83,030 and \$83,030, respectively.

## 21. Related Party Transactions

Certain Board members hold positions at financial institutions with which the YMCA holds cash balances. Additionally, one board member holds a position at a company with which the YMCA has obtained remodeling services. The total amount paid towards the remodeling services totaled \$69,078 and \$7,800 for the years ended June 30, 2017 and 2016, respectively. Another board member is a consultant with a company that provides services to the YMCA. The total paid for consultant services totaled \$2,000 and \$0 for the years ended June 30, 2017 and 2016, respectively. Board members are required to complete conflict of interest disclosure statements and abstain from voting on related issues.

## 22. Concentrations

For the years ended June 30, 2017 and 2016, approximately 78% and 76%, respectively, of revenue and support was derived from government grants and contracts. Approximately 91% and 90% of the government grants and contracts revenue was provided for the Foster Care and Child Welfare Programs during the years ended June 30, 2017 and 2016, respectively.

# **Sarasota Family Young Men's Christian Association, Inc.**

## **Notes to Financial Statements (Continued)**

**June 30, 2017 and 2016**

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### **23. Risks and Uncertainties**

The YMCA's ability to maintain its operations are largely dependent on selling memberships to its health facilities and receiving government and other grant funding.

### **24. Contingencies**

The YMCA is a recipient of federal, state and other third party reimbursement funds that are subject to special compliance audits by the granting agencies and other third party agencies that provide these reimbursements. The outcome of these audits may result in expenditures that would be disallowed. Disallowed amounts, if any, would constitute a contingent liability.

The YMCA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the YMCA.

In June 2009, the YMCA along with several other entities entered into a settlement agreement with regard to a not-for-profit Foundation (the NPO Foundation). Under the settlement, the YMCA will receive annual distributions from the NPO Foundation in amounts that are not determinable. In addition, if the NPO Foundation terminates before January 1, 2029, the YMCA will receive 1/36<sup>th</sup> of the net assets of the NPO Foundation. If the NPO Foundation terminates after January 1, 2029, the NPO Foundation will determine what amount, if any, the YMCA will receive. As of June 30, 2017 and 2016, no amounts have been recorded related to these contingent gains as the amounts are not determinable.

### **25. Self-Insurance**

During the year ended June 30, 2017, the YMCA adopted a self-insurance plan for health claims. The YMCA is responsible for claims up to \$844,000. After that claims are covered by an insurance carrier. Management believes they have adequately provided for all claims incurred but not paid in the accompanying financial statements.

### **26. Prior Period Adjustment**

Due to additional information available during the audit for the year ended June 30, 2017, the financial statements for June 30, 2016 have been restated. The beneficial interest in the net assets of the Foundation and the change in net assets increased by \$172,095. The accompanying schedules and footnotes have been restated.

### **27. Subsequent Events**

The YMCA has evaluated all events subsequent to the statement of financial position date of June 30, 2017 and through the date that these financial statements were available for issuance, December 20, 2017 and has determined, except as set forth below, that there are no subsequent events that require disclosure.

In July 2017, the prior Board of Trustees of the Children's Educational Opportunity Foundation, Inc. resigned and responsibility for the Foundation now rests with the YMCA.

In December 2017, the YMCA sold land and buildings with a net book value of \$803,121. Cash proceeds from the sale totaled \$583,322, resulting in a net loss on sale of assets of (\$219,799).

## **Supplemental Information**



**Sarasota Family Young Men's Christian Association, Inc.**  
Schedule of Expenditures of Federal Awards And State Financial Assistance  
Year Ended June 30, 2017

<u>Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA State CSFA Number</u>	<u>Pass-through Entity Identification or Contract Number</u>	<u>Federal Reimbursable Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>FEDERAL GRANTS AND CONTRACTS</b>				
<b>U.S. Department of Health and Human Services</b>				
Basic Center Program Grant	93.623	90CY6820-01-00	\$ 120,290	\$ -
Passed-through Florida Department of Children and Families Services:				
Promoting Safe and Stable Families	93.556	QJ2B0	552,914	509,613
Grants to States for Access and Visitation Programs	93.597	QJ2B0	25,927	25,927
Chafee Education and Training Vouchers Program (ETV)	93.599	QJ2B0	43,045	-
Adoption and Legal Guardianship Incentive Payments	93.603	QJ2B0	55,890	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	QJ2B0	368,651	209,266
Adoption Assistance	93.659	QJ2B0	4,091,982	452,857
Child Abuse and Neglect State Grants	93.669	QJ2B0	5,272	5,267
Chafee Foster Care Independence Program	93.674	QJ2B0	141,031	104,833
Medical Assistance Program	93.778	QJ2B0	140,346	139,314
Passed-through the Florida's Office of Early Learning:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Hardee	4,642	-
Passed-through Florida Department of Children and Families Services:				
Foster Care-Title IV-E		QJ2B0	6,996,194	4,094,773
Passed through the Florida Network of Youth and Family Services:				
Foster Care-Title IV-E		N/A	25,950	-
Passed-through Community Based Care Lead Agencies:				
Foster Care-Title IV-E		N/A	620	-
Total Foster Care-Title IV-E	93.658		<u>7,022,764</u>	<u>4,094,773</u>
Passed-through Florida Department of Children and Families Services:				
Social Services Block Grant		QJ2B0	1,600,272	1,312,183
Passed-through Community Based Care Lead Agencies:				
Social Services Block Grant		N/A	439	-
Total Social Services Block Grant	93.667		<u>1,600,711</u>	<u>1,312,183</u>
Passed-through Florida Department of Children and Families Services:				
Temporary Assistance for Needy Families		QJ2B0	2,649,510	900,802
Passed-through the Florida Department of Education / University of South Florida:				
Temporary Assistance for Needy Families		5830-1467-11-J	480,000	-
Total Temporary Assistance for Needy Families	93.558		<u>3,129,510</u>	<u>900,802</u>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ <u>17,302,975</u></b>	<b>\$ <u>7,754,835</u></b>

**Sarasota Family Young Men's Christian Association, Inc.**  
Schedule of Expenditures of Federal Awards And State Financial Assistance (Continued)  
Year Ended June 30, 2017

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Pass-through Entity Identification or Contract Number	Federal Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS (CONTINUED)</b>				
<b>U.S. Department of Education</b>				
Passed-through School Board of Sarasota County: Education for Homeless Children and Youth	84.196A	N/A	\$ 76,317	\$ -
Passed-through School Board of Sarasota County: Title I Grants to Local Educational Agencies		N/A	72,068	-
Title I Triad - Grants to Local Educational Agencies		N/A	80,596	-
Total Title I Grants to Local Educational Agencies	84.010		<u>152,664</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<b>\$ <u>228,981</u></b>	<b>\$ <u>-</u></b>
<b>U.S. Department of Agriculture</b>				
Passed-through Florida Department of Health: Child and Adult Care Food Program '16		A-1413	1,734	-
Child and Adult Care Food Program '17		A-1413	93	-
Total Child and Adult Care Food Program	10.558		<u>1,827</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b>\$ <u>1,827</u></b>	<b>\$ <u>-</u></b>
<b>U.S. Department of Homeland Security</b>				
Passed-through 2-1-1 Manasota: Emergency Food and Shelter National Board Program	97.024	LRO171400-021	11,250	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ <u>11,250</u></b>	<b>\$ <u>-</u></b>
<b>Total Federal Grants and Contracts</b>			<b>\$ <u>17,545,033</u></b>	<b>\$ <u>7,754,835</u></b>

**Sarasota Family Young Men's Christian Association, Inc.**  
Schedule of Expenditures of Federal Awards And State Financial Assistance (Continued)  
Year Ended June 30, 2017

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Pass-through Entity Identification or Contract Number	State Reimbursable Expenditures	Transfers to Subrecipients
<b>STATE GRANTS AND CONTRACTS</b>				
<b>Florida Department of Juvenile Justice</b>				
Passed-through the Florida Network of Youth and Family Services:				
Children and Families in Need of Services (CINS/FINS) '16		N/A	\$ 348,857	\$ -
Children and Families in Need of Services (CINS/FINS) '17		N/A	482,996	-
Children and Families in Need of Services (CINS/FINS) (Probation Respite)		N/A	6,014	-
Total Children and Families in Need of Services (CINS/FINS)	80.005		<u>837,867</u>	<u>-</u>
<b>Total Florida Department of Juvenile Justice</b>			<b>\$ 837,867</b>	<b>\$ -</b>
<b>Florida Department of Children and Families</b>				
Out-of-Home Supports '17		QJ2B0	\$ 866,266	\$ 144,729
Out-of-Home Supports '16		QJ2B0	386,600	-
Total Out-of-Home Supports	60.074		<u>1,252,866</u>	<u>144,729</u>
In-Home Supports '17		QJ2B0	60,730	-
In-Home Supports '16		QJ2B0	33,671	-
Total In-Home Supports	60.075		<u>94,401</u>	<u>-</u>
Independent Living Program	60.112	QJ2B0	129,857	23,125
CBC - Sexually Exploited Children	60.138	QJ2B0	294,610	-
Extended Foster Care Program	60.141	QJ2B0	253,893	-
<b>Total Florida Department of Children and Families</b>			<b>\$ 2,025,626</b>	<b>\$ 167,854</b>
<b>Total State Grants and Contracts</b>			<b>\$ 2,863,493</b>	<b>\$ 167,854</b>
<b>Total Federal and State Grants and Contracts</b>			<b>\$ 20,408,526</b>	<b>\$ 7,922,689</b>

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal and state granting activity of Sarasota Family Young Men's Christian Association, Inc. (YMCA), and is presented on the Generally Accepted Accounting Principles basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Indirect Cost Election**

YMCA has not elected to use the 10% de minimis cost rate as covered in 2 CFR section 200.414 and has a federally negotiated rate with their cognizant agency.

**Sarasota Family Young Men's Christian Association, Inc.**

Schedule of Expenditures of Local Assistance and Matching Funds

Year Ended June 30, 2017

<u>Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA State CSFA Number</u>	<u>Pass-through Entity Identification or Contract Number</u>	<u>Local/Matching Reimbursable Expenditures</u>	<u>Transfers to Subrecipients</u>
<b>LOCAL GRANTS AND CONTRACTS</b>				
<b>Sarasota County, Florida</b>				
Contracted Human Services:				
Family Haven Allican Core, SHL Reach Case Manager '16	N/A	2016-0034	\$ 12,785	\$ -
Family Haven Allican Core, SHL Reach Case Manager '17	N/A	2017-0026	22,562	-
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '16	N/A	2016-0029	53,418	-
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '17	N/A	2017-0070	184,522	-
Sarasota County Aquatics Center	N/A	2015-280	180,000	-
<b>Total Sarasota County, Florida</b>			<b>\$ 453,287</b>	<b>\$ -</b>
<b>School Board of Sarasota County</b>				
Triad Alternative Program '16	N/A	N/A	51,663	-
Triad Alternative Program '17	N/A	N/A	970,479	-
<b>Total School Board of Sarasota County</b>			<b>\$ 1,022,142</b>	<b>\$ -</b>
<b>Total Local Grants and Contracts</b>			<b>\$ 1,475,429</b>	<b>\$ -</b>
<b>MATCHING FUNDS FOR FEDERAL PROGRAMS</b>				
Passed-through Florida Department of Children and Families Services:				
To be Tested pursuant to OCA Activity	N/A	QJ2B0	9,142	8,373
Promoting Safe and Stable Families	N/A	QJ2B0	46,005	31,571
Temporary Assistance for Needy Families Block Grant	N/A	QJ2B0	1,419,367	613,191
Chafee Education and Training Vouchers Program	N/A	QJ2B0	10,761	-
Child Welfare Services - State Grants	N/A	QJ2B0	122,884	69,755
Foster Care Title IV E	N/A	QJ2B0	8,327,844	5,202,973
Adoption Assistance	N/A	QJ2B0	2,939,095	452,857
Independent Living	N/A	QJ2B0	35,258	26,208
Medical Assistance Program	N/A	QJ2B0	140,346	139,314
Block Grants for Community Mental Health Services	N/A	QJ2B0	328,071	318,697
Passed-through Community Based Care Lead Agencies:				
Foster Care Title IV E	N/A	N/A	1,031	-
<b>Total Matching Funds for Federal Programs</b>			<b>\$ 13,379,804</b>	<b>\$ 6,862,939</b>
<b>Total Federal and State Grants and Contracts</b>			<b>\$ 20,408,526</b>	<b>\$ 7,922,689</b>
<b>Total Grants and Contracts</b>			<b>\$ 35,263,759</b>	<b>\$ 14,785,628</b>



Kerkering, Barberio & Co.  
Certified Public Accountants

## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.650, *Rules of the Auditor General*, the financial statements of Sarasota Family Young Men's Christian Association, Inc. (YMCA), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2017.

In our report dated December 20, 2017, we expressed a qualified opinion as we were unable to obtain the audited financial statements of the Children's Education Opportunity Foundation, Inc. (formerly known as the YMCA Foundation of Sarasota, Inc.) (Foundation) supporting the YMCA's beneficial interest in the net assets of the Foundation. We were also unable to satisfy ourselves as to the amount receivable from the Foundation to the YMCA. In our opinion, except for the effects on the 2016 financial statements related to the activity of the Foundation, we expressed that the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA as of June 30, 2017 and 2016.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the YMCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control. Accordingly, we do not express an opinion on the effectiveness of the YMCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Internal Control over Financial Reporting (Continued)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the YMCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Kerber & Barkins & Co." in a cursive script.

Sarasota, Florida  
December 20, 2017

**Report on Compliance for Each Major Federal Program and State Project; and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida**

**Independent Auditor's Report**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited Sarasota Family Young Men's Christian Association, Inc.'s (YMCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services Statements Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended June 30, 2017. The YMCA's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the YMCA's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Those standards, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the YMCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**Auditor's Responsibility (Continued)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the YMCA's compliance.

**Opinion on Each Major Federal Program and State Financial Assistance Project**

In our opinion, the YMCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended June 30, 2017.

**Report on Internal Control Over Compliance**

Management of the YMCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the YMCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the YMCA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Sarasota, Florida  
December 20, 2017



## **Contract Compliance**

# Sarasota Family Young Men's Christian Association, Inc.

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

## Section I - Summary of Auditor's Results

### Financial Statements

Type of auditor's report issued: qualified

Internal control over financial reporting:

< Material weakness(es) identified?        yes   X   no

< Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

### Identification of Major Programs and Projects:

CFDA Numbers	Name of Federal Program or Cluster
93.556, 93.558, 93.597, 93.599, 93.603, 93.645, 93.658, 93.659, 93.667, 93.669, 93.674, 93.778	Foster Care

### Federal Awards and State Awards

Internal control over major programs and projects:

< Material weakness(es) identified?        yes   X   no

< Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for major programs and major projects: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) and the provisions of the Florida Single Audit Act in accordance with Chapter 10.650 of the Rules of the Auditor General        yes   X   no

CSFA Numbers	Name of State Project
80.005	Children and Families in Need of Services
60.074, 60.075, 60.112, 60.138, 60.141	Foster Care Community Based Support

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

Dollar threshold used to distinguish between type A and type B State projects: \$ 300,000

Auditee qualified as low-risk auditee?                    yes   X   no

## Section II - Financial Statement Findings

None

## Section III - Findings and Questioned Costs For Federal and State Awards

None

## Section IV - Other

Other than the finding noted above, there are no additional comments that are required to be included in a management letter by Section 215.97(9)(f) and 215.97(10)(d) of the Florida Statutes, Auditor General Rule 10.654(1)(e) or 10.656(3)(e).

## **Summary Schedule of Prior Audit Findings**



FOR YOUTH DEVELOPMENT®  
FOR HEALTHY LIVING  
FOR SOCIAL RESPONSIBILITY

**Sarasota Family YMCA, Inc.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FEDERAL PROGRAMS AND STATE PROJECTS**

Fiscal Year Ended June 30, 2017

**PRIOR YEAR FINDINGS and QUESTIONED COSTS –  
MAJOR STATE PROJECTS**

**Finding  
Number**

2016-001

**Prior Audit Finding**

Children and Families in Need of Services – Name of State Project  
Florida Department of Juvenile Justice – Sponsoring State Agency  
Florida Network of Youth and Family Services, Inc. - Name of pass-through entity  
80.005 – CFSA number

*Condition:* During our compliance testing of the CINS/FINS program, we determined that the program did not meet the training requirements as stated in the CINS/FINS program manual.

*Auditor's Recommendation:* We recommend that management establish a process of oversight to ensure that the required training hours for direct care staff are met annually.

*Current Status:* Additional training opportunities have been offered by providing training at each staff meeting to assist staff in obtaining required hours. The Shelter Director created a mandatory training worksheet to check off mandatory trainings are being completed. Training for the Shelter staff will be reviewed on a monthly basis by the Program Coordinator. As staff near their approaching year end date, they are reminded to complete the required number of training hours prior to the anniversary. Implementation of the monthly checks began several months ago and is ongoing.

**SARASOTA YMCA**

**Association Office**

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